

THE FIGHTING CONTINUED OVER THE HOTTEST SEAT ON THE PLANET

Share prices retreated on a broad front throughout Asia, last Monday, as the world waited for the outcome of the US Presidential Elections.

Not one Asian bourse recorded a positive number by the end of the trading session.

The one lesson that the world relearned, last Monday, was that investors do not take kindly to uncertainty.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index shed about 3.73 percent of its value, falling to 14,815.69 on a Total Turnover of about \$HK8.40 billion.

The Growth Enterprise Index (The GEM) continued to lose ground, dropping back to 347.54 points, a fall of about 2.88 percent, compared with the previous Friday's closing level, on a Total Turnover of about \$HK169.47 million.

In New York, the previous Friday, The New York Stock Exchange was terribly unnerved by 2 independent factors: The uncertainty as to who would replace US President Bill Clinton as the most powerful leader of the Western World; and, continued, poor earnings' reports from some of the would-be hot numbers.

By far, however, the US Presidential election free-for-all was the more worrying aspect that brought share prices down on the world's largest bourse.

The Dow Jones Industrial Average shed about 1.70 percent of its value, dropping to 10,602.95, but the NASDAQ Composite Index gave up a whopping 5.35 percent of its market capitalisation, falling to 3,028.99 points.

The NASDAQ's closing level of Friday, November 10, 2000, took it back to the November 3, 1999 position when it touched 3,028.51.

The US Presidential Elections had become a fiasco by last Monday as the 2 candidates both planned debuts in various US courts in attempts to prove who had gained the most popular votes, thus (presumably) indicating whom the people of the United States wanted to sit in the Oval Office of the President of the United States.

Democracy at work, à la USA style.

The 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were among the hardest hit in Asia, last Monday, as speculation gathered apace as to whether or not New York would see its stock market continue the retreat of the previous week.

The '*darlings*' of the PRC, companies, such as Legend Holdings Ltd (Code: 992) and China Mobile (Hongkong) Ltd (Code: 941), were just 2 counters that took it on the nose.

Legend Holdings lost 9.92 percent of its value, falling to \$HK5.90 per share, while China Mobile gave up 4.83 percent of its market capitalisation, dropping back to \$HK48.30 per share.

Legend Holdings was the seventh, most-active counter while China Mobile was in first place.

In respect of China Mobile, its volume of activity accounted for about 15.60 percent of the Total Turnover as about 27 million of its shares changed hands, pushing down the share price to a low of \$HK48.10.

Few counters were spared the meltdown as HSBC Holdings plc (Code: 5) gave up 3.48 percent of its value, falling to \$HK111 per share by the close. It was the lowest point of the day for the share price.

HSBC Holdings was the second, most-active counter, representing about 8.81 percent of the entire volume of activity for the day.

The Ten Most Active counters represented about 55.24 percent of the Total Turnover.

That means that about 739 counters, among them, shared just \$HK3.76-billion worth of trades.

The Li Ka Shing Camp did not get off, lightly, too, as Hutchison Whampoa Ltd (Code: 13) gave up 3.66 percent of its market capitalisation, Pacific Century CyberWorks Ltd (Code: 8) lost 5.60 percent of its value, and Cheung Kong (Holdings) Ltd (Code: 1) shed another 2.20 percent of its value, dropping to \$HK88.75 per share.

The ratio of losers to gainers was about 7.97:One.

There was no corporate news of materiality, other than the US Presidential Elections, that affected the stock markets of the HKSAR, but that was enough of a shock.

Asia was of the opinion that, if George W. Bush gets into the White House, he will be a bull in a china shop, whereas Vice President Al Gore was seen as being a moderate and will, probably, leave well-enough alone.

The following is a list of the major double-digit gainers and losers of last Monday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		14.63	0.035
Asia Logistics Technologies Ltd	862	12.50		0.405
Bestway International Holdings Ltd	718		10.20	0.044
CASIL Telecommunications Holdings Ltd	1185		10.53	0.51
CCT Multimedia Holdings Ltd	1169		13.75	0.345
CCT Telecom Holdings Ltd	138		10.43	1.03
Celestial Asia Securities Holdings Ltd	1049		12.50	0.35
China Aerospace International Holdings Ltd	31		10.98	0.73
China Cyberworld Ltd	298		18.18	0.27
China DigiContent Company Ltd	1197		11.54	0.046
China Star Entertainment Ltd	326		10.34	0.26
CNT Group Ltd	701	14.75		0.35
COSCO International Holdings Ltd	517		13.73	0.88
Culturecom Holdings Ltd	343		14.49	0.59
Emperor Technology Venture Ltd	283	24.53		0.33
Far East Hotels and Entertainment Ltd	37		10.11	0.40
First Pacific Company Ltd	142		12.09	1.89
Founder Holdings Ltd	418		13.40	2.10
Dong Jian Tech.Com Holdings Ltd	649		14.29	0.30
e-Kong Group Ltd	524		15.49	0.60
e-New Media Company Ltd	128		10.71	0.75
G-Prop (Holdings) Ltd	286		11.84	0.295
Grand Field Group Holdings Ltd	115		10.08	0.214
Great Wall Technology Company Ltd	74		10.83	2.675
Guandong Building Industries Ltd	818		14.29	0.30

Hanny Holdings Ltd	275		12.64	0.38
Hikari Tsushin International Ltd	603		14.29	0.27
HiNet Holdings Ltd	155		11.71	0.196
i100 Ltd	616		17.11	0.63
ICG AsiaWorks Ltd	715		16.22	0.62
Lai Fung Holdings Ltd	1125	11.54		0.58
Logic International Holdings Ltd	1193		10.26	0.70
Leading Spirit High-Tech (Holdings) Company Ltd	606		10.34	0.13
Millennium Sense Holdings Ltd	724		23.08	0.30
Netalone.com Ltd	336		16.18	0.285
Next Media Ltd	282		13.21	0.46
Northeast Electrical T&T Machinery Manufacturing Company Ltd	42		14.29	0.30
Northern International Holdings Ltd	736		10.00	0.036
Pacific Ports Company Ltd	659		12.50	0.42
Pearl Oriental Cyberforce Ltd	988		10.26	0.035
Pokfulam Development Company Ltd	225		18.18	1.80
Proview International Holdings Ltd	334		28.21	0.56
QPL International Holdings Ltd	243		12.15	4.70
Sega.com Asia Ltd	1196		23.13	1.03
Skyworth Digital Holdings Ltd	751		11.94	0.59
Softbank Investment International (Strategic) Ltd	648		10.97	1.38
Stone Electronic Technology Ltd	409		12.50	1.33
Sun Television Cyberworks Holdings Ltd	307		10.20	0.22
TCL International Holdings Ltd	1070		12.00	1.87
Technology Venture Holdings Ltd	61		11.76	2.25
Tonic Industries Holdings Ltd	978		12.12	0.435
Tung Fong Hung (Holdings) Ltd	279	19.83		0.29
Vanda Systems and Communications Holdings Ltd	757		12.41	1.27
vLink Global Ltd	563		11.02	0.106
Wireless InterNetworks Ltd	261		25.00	0.015

On The GEM, losers were far ahead of gainers by the ratio of about 6.40: One, with the most active counter, being Neolink Cyber Technology (Holdings) Ltd (Code: 8116).

Trading in the leader on the Most Active List represented about 25.20 percent of the \$HK169.47 million Total Turnover.

Neolink Cyber touched a low of 70 cents per share before recovering to end the session at 72 cents per share. The closing price represented a loss for the share price of 10 percent over the previous Friday's close.

About 74.40 percent off all counters, traded on The GEM, last Monday, witnessed rapid depreciation of their share prices.

Among the main losers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Sino Biopharmaceutical Ltd	8027		11.76	0.90
Timeless Software Ltd	8028		10.83	1.07
Town Health International Holdings Company Ltd	8138		12.38	2.30

In Japan, it was a similar story as in the rest of Asia. The country's premier stock market, The Tokyo Stock Exchange, saw its Nikkei-225 lose 323.90 yen, falling to 14,489.48 yen, a drop of about 2.16 percent.

Internet investors, such as Softbank and Hikari Tsushin, were hit especially hard, following on from Wall Street's losses of the previous Friday.

Softbank was singled out by stock-market watchers of this market, who were quick to point out that, in 2 trading days, the company had shed about 15.60 percent of its value.

Mitsubishi Motors Corporation, 34 percent owned by Daimler-Chrysler AG, announced that it had suffered an Operating Loss of about \$US215 million (about \$HK1.67 billion) for the first half of its Financial Year, ended September 30, 2000.

The market did not like those eggs, also.

Electronics followed NASDAQ as Sony Corporation gave up about 4.29 percent of its value, falling to 8,470 yen per share, while the country's largest personal computer manufacturer, Fujitsu, lost about 3.97 percent of its market capitalisation, falling to 1,935 yen per share.

And so it went on, as one company after another came under heavy selling pressure, most of it, being unwarranted, considering earnings and near-term prospects.

Asia was getting very sick of being punched around by the US Presidential Elections, which are affecting trade, internationally, because people are deathly afraid as to what other little worms may fall out of the US political woodwork.

The following are the losses on major stock markets in Asia, last Monday:

Thailand	Minus 2.06 percent
Indonesia	Minus 0.77 percent
Malaysia	Minus 2.03 percent
The Philippines	Minus 2.22 percent
South Korea	Minus 4.64 percent
Singapore	Minus 2.43 percent
Taiwan	Minus 4.85 percent
Japan	Minus 2.16 percent

Tuesday.

The situation had not changed, appreciably, in the US, last Tuesday, where Al Gore and George W. Bush, US Presidential hopefuls, continued their battle for the right to sit in the White House, the battle 'royal', causing a continuation on The New York Stock Exchange where it was another day of losses for most investors.

But, in Asia, investors, tired of the US political situation, tired of the bloodbaths that had ravaged the US equity markets for the previous fortnight, went on a shopping spree, buying up stocks and shares in what appeared to be cheap technology issues.

As a result, all but 2 of the major Asian stock markets recorded positive figures.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index rose 2.44 percent to 15,177.52 on the very low Total Turnover of just \$HK6.97 billion.

The 361.83-point rise on a low volume of activity is indicative, under normal circumstances, of a situation whereby investors are not too keen to let go.

The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, however, only managed a gain of about 0.86 percent as The Growth Enterprise Index rose to 350.51 points.

The Total Turnover on this market, also, was low at about \$HK133.65 million.

But, on The New York Stock Exchange, US investors were none too happy with their lot as the Dow Jones Industrial Average lost 85.70 points, about 0.81 percent, falling to 10,517.25.

But the day had been a roller-coaster one for US investors because, at the height of trading, the Dow had fallen about 233 points, equivalent to a loss of about 2.20 percent, compared with the previous Friday's closing level.

As for the NASDAQ Composite Index, it was off by about 62.27 points, about 2.06 percent, dropping back to 2,966.72 points, by the close.

In similar fashion to the Dow, the NASDAQ had been off about 5.58 percent at one point, during the day.

The NASDAQ's plunge represented the lowest point in more than one year.

On March 10, 2000, the NASDAQ touched 5,048.62 so that last Monday's closing level meant that the hi-tech and Internet-related sector of The New York Stock Exchange had lost about 41 percent of its value in just 8 months.

There were all manner of reasons, put forward, for the losses of the world's most important stock market, last Tuesday, but, in truth, the political uncertainty in the US was undermining all vestiges of confidence in US equity markets in spite of the US economy, continuing to be strong.

Bargain-hunting appeared to be the order of day in Asia, especially on The Stock Exchange of Hongkong Ltd, as heavyweights, such as HSBC Holdings plc (Code: 5) and China Mobile (Hongkong) Ltd (Code: 941) were hotly sought after and took the high ground on the Ten Most Active list.

HSBC Holdings ended the day at \$HK113.50 per share, a gain of \$HK2.50 per share, compared with Monday's close, while China Mobile added 2.48 percent to its market capitalisation, rising to \$HK49.50, near the highest level of the day.

Between these 2 huge corporate entities, their combined trading activities amounted to about 21.52 percent of the Total Turnover of just under \$HK7 billion.

In respect of HSBC Holdings, its upward move represented about 26.52 percentile points of the Hang Seng Index's gains, indicating how lopsided and frail is the Hang Seng Index that it can be moved to such an extent by one counter's movement.

Many of the losses of Monday were cut, but very few counters made a 100-percent recovery from Monday's shavings.

The ratio of gainers to losers was about 2.80:One.

The following are the double-digit gainers and losers for last Tuesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Logistics Technologies Ltd	862		14.81	0.345
AV Concept Holdings Ltd	595	10.00		0.66
China DigiContent Company Ltd	1197	10.87		0.051
Culturecom Holdings Ltd	343	13.58		0.67
Dan Form Holdings Company Ltd	271	10.00		0.275
Dong Jian Tech.Com Holdings Ltd	649	13.33		0.34
e-Kong Group Ltd	524	10.00		0.66
Far East Pharmaceutical Technology Company Ltd	399	14.14		1.13
Founder Holdings Ltd	418	11.90		2.35
FT Holdings International Ltd	559	10.53		0.63
G-Prop (Holdings) Ltd	286	10.17		0.325
Global Link Cyber International Ltd	140	10.58		0.209
Guangdong Investment Ltd	270	12.84		0.96
Guangdong Tannery Ltd	1058	12.16		0.166
Hikari Tsushin International Ltd	603	14.81		0.31
HiNet Holdings Ltd	155	12.24		0.22
Honko International Holdings Ltd	673	15.38		0.30
Hopewell Holdings Ltd	54	10.34		3.20
ICG AsiaWorks Ltd	715	11.29		0.69
Medtech Group Company Ltd	1031	17.65		0.06
Multi-Asia International Holdings Ltd	234	12.23		1.56
Proview International Holdings Ltd	334	14.29		0.64
QPL International Holdings Ltd	243	10.64		5.20
Stone Electronic Technology Ltd	409	10.53		1.47
Sun Television Cyberworks Holdings Ltd	307	20.45		0.265
Technology Venture Holdings Ltd	61	10.00		2.475
Tung Fong Hung (Holdings) Ltd	279		13.79	0.25
Van Shung Chong Holdings Ltd	1001	10.20		1.08
Victory City International Holdings Ltd	539	23.00		1.23
vLink Global Ltd	563	10.48		0.116
Wah Fu International Holdings Ltd	952	11.11		0.09
Wireless InterNetworks Ltd	261	13.33		0.017
Yue Fung International Group Holdings Ltd	965	14.95		0.123

The GEM was presented with a little joy when publicly listed Phoenix Satellite Television Holdings Ltd (Code: 8002) announced bouncing profits.

The Rupert Murdoch company announced that, for the 3 months, ended September 30, 2000, the Net Profits had risen to \$HK51.38 million.

That figure compared with a loss of about \$HK7.22 million for the comparable 1999 period.

The Turnover for the period rose to \$HK192.30 million, up from the 1999 quarter of about \$HK99 million.

Annualising the reported figures indicates that Phoenix Satellite is looking at a Turnover for the next 12-month cycle of about \$HK770 million on which a Net Profit of about \$HK206 million may be accepted if the company continues along its present path and assuming no further growth (quite unlikely).

The news was released after the market went to bed so that investors did not have time to study the information, during trading hours.

Phoenix Satellite was the third, most-active counter of the day, in terms of dollar value, with the share price having been held tightly to within a 5-cent band.

It ended the day at \$HK2.025, up about 1.25 percent, after about 6.33 million shares changed hands.

There was precious little other news from this market, with the top 4 counters, being responsible for about 52.59 percent of the Total Turnover of about \$HK133.65 million.

Gainers were ahead of losers by the ratio of about 1.18:One.

In Japan, it was another story, altogether.

The Tokyo Stock Exchange witnessed a further decline as the Nikkei-225 lost 4.60 yen, dropping to 14,660.04 yen.

That represented a loss of about 0.03 percent – miniscule to say the least.

One of the biggest losers was Mitsubishi Motors, the share price of which shed a further 7.40 percent, adding to its Monday's losses on lower profits results (please see Monday's report).

On the other side of the ledger, one of the largest gainers was Nippon Chemi-con, Japan's largest manufacturer of Aluminium electrolytic capacitors, the share price of which gained about 15 percent, rising to 735 yen.

But, aside from a handful of fast movers, both up and down, the premier Japanese stock market just dribbled along, with few people, paying too much attention to it.

The ratio of gainers to losers on this, the most important bourse in Asia, was about 1.41:One.

And this was how other Asian stock markets fared, last Tuesday:

Thailand	Plus 0.38 percent
Indonesia	Plus 0.46 percent
Malaysia	Plus 1.09 percent
The Philippines	Plus 0.94 percent
South Korea	Plus 2.61 percent
Singapore	Plus 2.20 percent
Taiwan	Minus 0.36 percent
Japan	Minus 0.03 percent

Wednesday

In spite of a bit of a run-up on Wall Street on Tuesday, New York time, and as US investors went on a spending spree, Asia was very wary as to the direction of stocks and shares.

As a result, most major bourses in Asia just limped along on lower volumes.

On The New York Stock Exchange, on Tuesday, the Dow Jones Industrial Average gained 163.81 points, about 1.56 percent, ending the session at 10,681.06.

But the big mover was the NASDAQ Composite Index, which, literally, shot up like a rocket, regaining about 5.78 percent of its value, following a rapid deterioration in its values on Tuesday. (please see Tuesday's report)

The NASDAQ ended the session at 3,138.27.

The Wall Street improvement was in spite of the uncertainty over the Presidential Race, which was continuing in Florida courts of law.

The US Federal Reserve had scheduled a meeting for last Wednesday and, ahead of such Open Market Committee Meetings, there is, always, speculation as to whether or not interest rates would be increased or eased.

The Chairman of the Fed, Dr Alan Greenspan, had been making very bullish statements as to the value of new-age companies, those involved in the Internet and hi-tech industries.

Addressing a conference in Mexico City, Dr Greenspan was reported to have stated that he was impressed at the pace of innovation in the US hi-tech industry, which, he claimed, was making the US economy more productive.

On the strength of these words from the most powerful man on the face of the earth, today, the US dollar strengthened against the euro and the Japanese yen.

The euro fell below 86 cents (US), but stabilised at about 85.70 cents (US), heightening the possibility that the European Central Bank (ECB) may have to go to its rescue for the fourth time in a fortnight.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), The Stock Exchange of Hongkong Ltd was very quiet as its Main Board's index, the Hang Seng Index, ended the day at 15,127.40 on a Total Turnover of about \$HK8.52 billion.

But the Index was up about 144.14 points at the sounds of the luncheon bell, at 12.30 pm.

However, it made a 338.26-point u-turn to lose, not only its morning gains, but to go into negative territory, too.

China Mobile (Hongkong) Ltd (Code: 941) remained investors' favourite as about 28.40 million of its stock changed hands with the share price, zigzagging between a low of \$HK49.80 and a high of \$HK52.25, a movement of about 4.69 percent in a period of 4 hours of trading.

The share price of this heavyweight ended the day at \$HK49.90. Trading in this counter represented about 17 percent of the entire volume of trading.

Pulling down the HKSAR market was HSBC Holdings plc (Code: 5), the share price of which went into a steep decline during the day.

It lost much of Tuesday's gains, for no particular reason, as about 0.88 percent was cut out of its market capitalisation.

Trading in this bank's shares represented about 7.63 percent of the Total Turnover. Its share price came to rest at \$HK112.50 at the close of trading.

The ratio of losers to gainers was about 1.47:One with as many counters, remaining unchanged, as those that lost ground.

The double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189		22.31	0.101
B-Tech Holdings Ltd	412		16.67	0.015
Carry Wealth Holdings Ltd	643	18.75		0.76
Climax International Company Ltd	439	15.25		0.34
Fourseas.com Ltd	755		11.76	0.015
Frankie Dominion International Ltd	704	14.89		0.27
Goldwiz Holdings Ltd	586	13.21		0.60
Lai Fung Holdings Ltd	1125		15.00	0.51
Medtech Group Company Ltd	1031		16.67	0.05
Nam Fong International Holdings Ltd	1176		12.31	0.057
New World CyberBase Ltd	276		10.00	0.27
Prosper eVision Ltd	979	14.29		3.00
Skyworth Digital Holdings Ltd	751		12.50	0.56
Theme International Holdings Ltd	990		10.00	0.09
UDL Holdings Ltd	620		10.00	0.054
Victory City International Holdings Ltd	539	21.95		1.50
Welback Holdings Ltd	491	12.20		0.046
Winsor Industrial Corporation Ltd	98		31.15	2.40

On The Growth Enterprise Market (The GEM), the outstanding counter was Phoenix Satellite Television Holdings Ltd (Code: 8002) as its share price rose more than 10 percent, during the session.

On strong earnings growth, investors piled into this stock as more than 31.10 million Phoenix Satellite shares found new owners. It was the most active counter of the day. (please see Tuesday's report)

Trading in this one counter represented about 33.31 percent of the Total Turnover of about \$HK203.84 million. Its share price ended the day at \$HK2.15.

The Growth Enterprise Index, the gauge of The GEM's stocks' movements, managed to squeeze out a gain of just 0.14 percent, rising to 351.01.

Hurting this marketplace a great deal was a report from Asia OnLine, which company reported that it was sacking 56 more of its employees, that figure, representing about 18 percent of its total workforce.

That brought the number of sackings to about 1,000 in a period of less than 4 months as some of the would-be big names in the industry cut staff in order to save costs.

Mr Li Ka Shing's Pacific Century CyberWorks Ltd (Code: 8 – Main Board) joined the throng of companies that has been sacking people, with Management, stating that it would be letting go another tranche of 22 people.

The confirmation of the sackings came just one day after statements were made to the contrary.

Sunevision Holdings Ltd (Code: 8008, The GEM), the Sun Hung Kai Properties Ltd (Code: 16, Main Board) offshoot, reported first quarter losses of \$HK31 million, with the Turnover for the period, being just about equal to the losses.

The ratio of losers to gainers on The GEM was about 2.18:One with about 35 percent of the companies, listed on this market, remaining unchanged.

In Japan, despite local political woes, the benchmark of The Tokyo Stock Exchange managed to buck the trend, rising on the back of a strong Wall Street.

The Nikkei-225 put on 139.10 yen, about 0.95 percent, rising to 14,799.14 yen.

The outstanding stock on this market was the mobile unit of Nippon Telegraph and Telephone (NTT), known popularly as NTT DoCoMo.

NTT DoCoMo's share price gained about 5.78 percent on a strong earning's report, which indicated a 22-percent rise in first half profits. It closed the day at 3.01 million yen.

Overshadowing the Japanese stock markets was the bickering on home turf where Prime Minister Yoshiro Mori is facing mounting pressure from fellow ministers.

While telecommunications companies did reasonably well, debt-laden supermarket chain, Daiei, saw its share price drop about 17.06 percent, falling to 141 yen.

Toyota Motor Corporation announced that it had recorded an Operating Profit of about \$HK27 billion for the first half of the year to September 30, 2000. This represented an increase of about 3 percent, compared with the comparable 1999 first half.

The ratio of gainers to losers on this market was about 1.14:One on a volume of activity, which was about 25 percent better than Tuesday's volume.

And this was how other Asia stock markets closed their doors, last Wednesday:

Thailand	Plus 0.16 percent
Indonesia	Minus 1.62 percent
Malaysia	Minus 1.02 percent
The Philippines	Minus 0.03 percent
South Korea	Plus 0.81 percent
Singapore	Minus 1.15 percent
Taiwan	Minus 0.61 percent
Japan	Plus 0.95 percent

Thursday

It had been more than one year since the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) had witnessed a Total Turnover on the Main Board of The Stock Exchange of Hongkong Ltd that was down to last Thursday's level of about \$HK5.64 billion.

But that was the case as the Main Board's Hang Seng Index gained 1.13 percent, ending the session at 15,298.35 points.

The HKSAR was a dull, dull, dull place, as investors appeared to be totally unnerved by a number of events, most of which were taking place in the US and Europe.

In New York, on Wednesday, New York time, the Dow Jones Industrial Average closed the day up 26.54 points to 10,707.60 while the NASDAQ Composite Index put on 7.22 points, closing out the day at 3,165.49.

Both the Dow and the NASDAQ had been much higher, during last Wednesday's session, but a warning from the US Federal Reserve to the effect that inflation was still a potential problem in the US, tended to knock the stuffing out of the equities' marketplace.

The Fed, targeting high-energy prices as being a threat to the US economy, decided, at the same time, not to increase interest rates – at least, not at this juncture.

What must have prompted the Fed's decision not to touch interest rates was a report that stated that output at US factories, mines and utilities had declined by about 0.01 percent in the month of October, compared with output in September when an increase of 0.40 percent was recorded over the August figures.

Investors in the HKSAR were relieved that there was to be no immediate interest-rate increase, but there were, also, other, more pressing concerns of a local character that captured many people's attention.

On such concern came from Pacific Century CyberWorks Ltd (Code: 8, Main Board) when it was announced that, after protracted negotiations, the Li Ka Shing Internet investment company and the owner of Cable and Wireless HKT Ltd had obtained an agreement from a bevy of banks to raise about \$HK37 billion.

The fact that these negotiations had taken such a long time to materialize appeared to indicate, conclusively, that there had been troubles in getting the required money to keep creditors away from the company's doors.

Pacific Century CyberWorks had to cough up about \$HK123 billion in order to buy up the 54-percent stake in Cable and Wireless HKT Ltd from London-based Cable and Wireless plc, earlier this year.

The bankers, that appeared to have come to the rescue of the Li Ka Shing company, included HSBC Holdings plc (Code: 5, Main Board), Barclays Bank, Chase Manhattan Bank, Bank of China and Mizuhu Financial Group.

One wonders what kind of collateral these bankers demanded from Mr Li Ka Shing.

Mr Richard Li, Number Two Son of Mr Li Ka Shing, was reported to have stated that he was confident of securing the refinancing at about 100 basis points higher than the London Interbank Offer Rate (LIBOR).

Proof positive of the problems that have been dogging Pacific Century CyberWorks, one might be tempted to state.

The share price of Pacific Century CyberWorks ended the day at \$HK5.75, down 1.71 percent, compared with Wednesday's closing level.

But it was China Mobile (Hongkong) Ltd (Code: 941, Main Board) that was the most popular counter, last Thursday, as about 12.92 million of its shares changed hands.

The share price of this company, the largest of its kind in the PRC, was held to within a \$HK1.75 range, between \$HK50 and \$HK51.75, ending the session at \$HK51.50, about 3.21 percent better than Wednesday's closing price.

Trading in this counter represented about 11.70 percent of the Total Turnover.

HSBC Holdings was, perhaps, the one counter that helped to lift the Hang Seng Index as its share price rose 1.33 percent to end the day at \$HK114, the high point of trading in this counter.

But Pacific Century CyberWorks could not convince investors to buy its stock, try as the Li Ka Shing Empire did.

The ratio of gainers to losers was 1.19:One with about 54 percent of the entire basket of companies, seeing no movement in their share prices.

The double-digit gainers and losers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Logistics Technologies Ltd	862		13.43	0.29
AV Concept Holdings Ltd	595	14.08		0.73
Carry Wealth Holdings Ltd	643		10.53	0.68
China Development Corporation Ltd	487		10.38	0.233
China Shipping Development Company Ltd	1138	10.81		1.23
China Southern Airlines Company Ltd	1055	12.90		2.10
CIL Holdings Ltd	479		13.33	0.013
DVN (Holdings) Ltd	500	14.94		2.50
Dynamic Holdings Ltd	29		10.00	0.72
eForce Holdings Ltd	943		12.94	0.148
Emperor (China Concept) Investments Ltd	296	13.33		0.051
G-Vision International (Holdings) Ltd	657		16.89	0.123
Global Link Cyber International Ltd	140	11.42		0.244
Hongkong Fortune Ltd	121	24.18		0.113
ING Beijing Investment Company Ltd	1062		11.33	0.18
Kin Don Holdings Ltd	208		12.50	0.056
Lai Fung Holdings Ltd	1125		10.78	0.455
Magnificent Estates Ltd	201		10.42	0.043
Mandarin Resources Corporation Ltd	70		15.58	32.50
Matrix Holdings Ltd	1005	10.34		0.48
Mei Ah Entertainment Group Ltd	391	18.75		0.475
Prospect eVision Ltd	979	13.33		3.40
Quality Food International Ltd	735		12.50	0.133
Rockapetta Holdings Ltd	1003	14.75		0.70
Skyworth Digital Holdings Ltd	751		11.61	0.495
South East Group Ltd	726		13.04	0.02
Swank International Manufacturing Company Ltd	663		16.44	0.061
Tung Fong Hung (Holdings) Ltd	279		10.78	0.207
Wonson International Holdings Ltd	651		14.58	0.041

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover shrank back to \$HK88.69 million, also one of the lowest levels of interest in the past year.

The Growth Enterprise Index made a gain of 0.29 percent, rising to 352.03 points, while the ratio of losers to gainers was exactly One: One.

There were few big movers on this market and no company made any report of any note.

In Tokyo, Japan, The Tokyo Stock Exchange saw a reversal of its fortunes as the Nikkei-225 lost 212.11 yen, falling back to 14,587.03 yen.

The 1.43-percent loss of the Nikkei-225 was the result of a number of factors, with the political power struggle in Japan, being but one of the problems. (please see Wednesday's report)

Toyota Motor reported that its first half's profits, to September 30, had risen about 3.72 percent, compared with the comparable 1999 figures, to about \$HK27 billion.

Nevertheless, Toyota's share price shed 4.20 percent on the news.

Internet-related companies lost in line with Wall Street with the share price of Hikari Tsushin, off about 6.40 percent.

Like the rest of Asia, trading in Japan was subdued with just about everybody and his cat, waiting for something to happen in the US where arguments persisted as to which of the Presidential hopefuls had bagged the plum job.

This was how the rest of Asia saw the situation, last Thursday, just before bedtime:

Thailand	Plus 0.43 percent
Indonesia	Minus 0.42 percent
Malaysia	Minus 1.04 percent
The Philippines	Minus 0.05 percent
South Korea	Minus 0.44 percent
Singapore	Plus 1.26 percent
Taiwan	Minus 4.93 percent
Japan	Minus 1.43 percent

Friday

Continuing uncertainty over Wall Street and who will sit in the White House caused widespread confusion in Asia, with investors completely perplexed as to what action to take.

Certainly, keep away from new commitments appeared to be the rule of the day.

As a result, many Asia stock markets just limped along, zigzagging between black ink and red ink.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index lost about 0.77 percent of its value, falling to 15,180.85, on continued low volume, amounting to \$HK6.18 billion.

The Growth Enterprise Index, the '*barometer*' of the speculative marketplace of The Stock Exchange of Hongkong Ltd, known as The Growth Enterprise Market (The GEM), suffered similarly, dropping back 0.82 percent to 349.14 points on a Total Turnover of about \$HK150.82 million.

Watching the antics of The New York Stock Exchange gave no solace to Asian investors since, on Thursday, New York time, the Dow Jones Industrial Average lost 51.57 points, about 0.48 percent, dropping to 10,656.03 points.

But, on the speculative side of the ledger, the NASDAQ Composite Index gave up 133.61 points, falling back to 3,031.88 points, a loss on Wednesday's closing level of about 4.22 percent.

Investors on the world's largest bourse were concerned, of course, about the Al Gore/George W. Bush Presidential Election fiasco, the Fed's warning on inflationary threats to the economy and, lastly, a spate of poor business results from some of the favourite plays of US investors.

Adding oil to the fires of uncertainty was a confirmed report that an online financial news service, TheStreet.com, announced that it would be laying off about 20 percent of its staff.

In addition, another 64 staff members would be laid off in the company's British unit.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), one has noted, of late, the number of people that had been given the Order of the Bullet, but for a major international player, such as TheStreet.com, to have to bite the bullet, openly, it must be considered indicative of something that transcends international boundaries.

And then, to top it off, the share price of the one-time '*darling*' of The Stock Exchange of Hongkong Ltd got it in the neck, once again.

Management of cash-strapped Pacific Century CyberWorks Ltd (Code: 8) saw its share price fall to what must have been considered unexpected lows as investors pushed down the share price to \$HK5.50 before it leveled off at \$HK5.65 at the close of trading.

The closing price represented a loss of about 1.74 percent, compared with Thursday's closing figure.

A total of about 79.78 million Pacific Century CyberWorks's shares changed hands, during last Friday's session, with the total amount of trades, representing about 7.28 percent of the Total Turnover.

It was the second, most-active counter of the day.

China Mobile (Hongkong) Ltd (Code: 941) continued to be in the top slot on the Ten Most Active list (in terms of dollars and cents) with trades in this counter, representing about 12.78 percent of the entire volume of activity for the day.

China Mobile's share price ended the day at \$HK50.50, down about 1.94 percent on Thursday's closing level.

Most of Mr Li Ka Shing's publicly listed entities came in for a bit of a rubbing, but the losses were kept to between 1.50 percent and 3 percent, for the main part.

The ratio of losers to gainers was about 2.56:One, which, considering what was taking place in New York, it was not a bad result, all things being considered.

The double-digit gainers and losers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China United Holdings Ltd	273	21.05		0.023
Daido Concrete (Hongkong) Ltd	544	21.95		0.10
Emperor (China Concept) Investments Ltd	296		15.69	0.043
Emperor Technology Venture Ltd	283		25.76	0.245

eSun Holdings Ltd	571		32.55	0.172
Fujikon Industrial Holdings Ltd	927		11.11	1.20
Harmony Asset Ltd	428	10.39		0.17
IFTA Pacific Holdings Ltd	371	11.84		0.425
Pacific Andes International Holdings Ltd	1174	12.00		0.28
S.A.S. Dragon Holdings Ltd	1184	15.38		0.60
Sinocan Holdings Ltd	1095	11.11		0.08
South China Information and Technology Ltd	175		13.16	0.66
South China Industries Ltd	413		10.71	0.375
South East Group Ltd	726	20.00		0.024
Tse Siu Luen Jewellery (International) Ltd	417	18.00		0.236
UDL Holdings Ltd	620	11.11		0.06
Wing Lee International Holdings Ltd	899		12.32	0.121

Prices on The Growth Enterprise Market were generally lower with a few notable exceptions, such as Phoenix Satellite Television Holdings Ltd (Code: 8002), the share price of which rebounded to \$HK2.275, during the day, as about 11.12 million of its stock changed hands.

Phoenix Satellite closed the week at \$HK2.175 per share, following a profits announcement, made earlier in the week. It had to be considered a very bullish outlook for the near term. (please see Tuesday's report)

Mr Li Ka Shing's '*wild card*', tom.com Ltd (Code: 8001), appeared to catch the tail wind of the Main Board's seeming dislike for anything, closely related to Internet stocks, and suffered accordingly.

Its share price drifted to a low of \$HK3.075 on a volume of 3.23 million shares, changing hands.

tom.com Ltd has lost more than 40 percent of its market capitalisation since the beginning of the year when its share price hit a high of \$HK5.20.

Losers outpaced gainers on this market by the ratio of about 2.30: One, with the top 5 counters, representing about 77.70 percent of the Total Turnover of \$HK150.82 million.

In Japan, The Tokyo Stock Exchange suffered another defeat, following on from Wall Street and helped along by domestic problems, those of a political nature and those, brought about by poor corporate results.

Tokyo's premier stock exchange had its Nikkei-225 shaved down by 42.73 yen, about 0.29 percent, as the Nikkei-225 dropped to 14,544.30 yen.

Japan's Prime Minister, Mr Yoshiro Mori, faces growing opposition from the Diet with an expected '*No Confidence Motion*' expected to be tabled within a week from last Friday.

Adding to the spate of bad news was a report that Mazda Motor Corporation had lost about \$HK335 million in the first half of the Current Financial Year, to September 30.

Nevertheless, Mazda's share price rose about 6.07 percent to 227 yen. It is owned as to about 33.40 percent by Ford Motor Company of the US.

Internet-investment companies were hit hard by the situation on Wall Street as Hikari Tsushin lost 10.20 percent of its value and Softbank dropped back 2.50 percent.

Most issues, however, shed a few points, not much more.

By and large, however, the market was drifting lower in light volume with the ratio of losers to gainers, being about 1.17:One.

This was how other Asian markets fared, last Friday, as the State of Florida started hand-counting votes in order to determine who had the right to sit in the White House:

Thailand	Plus 1.63 percent
Indonesia	Plus 1.00 percent
Malaysia	Plus 0.70 percent
The Philippines	Plus 0.14 percent
South Korea	Minus 0.68 percent
Singapore	Minus 1.45 percent
Taiwan	Minus 1.88 percent
Japan	Minus 0.29 percent

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